



# The Commons

## A Condominium Association

### Board Meeting Minutes – June 23, 2009

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#### **Location**

The Commons Cabana  
1400 Pebblebrook Way  
Virginia Beach, Virginia 23464

#### **Members Present**

Diane Standridge, President  
Tom Pelech, Vice President  
Robert Chapin, Treasurer  
Mike D’Ambra, Secretary  
Dave Grant, Member-at-Large

#### **Members Absent**

None

#### **Others Present**

Jill Albright, The Select Group Association Manager

#### **1. CALL TO ORDER**

With the establishment of a quorum, the President called the meeting to order at 6:25 PM.

#### **2. UNIT OWNERS’ FORUM (30 Minutes)**

Two Unit Owners were present. Bobby Hoyle, 1585 CSW; and, Joan Smith, 1641 CSW.

Bobby inquired about the 2009 painting schedule for the Units. Diane indicated the rest of the CSW Units will be painted later this fall, which includes Bobby’s Unit.

Joan was confused with the water bill and questioned why we can not have individual bills. Diane explained the process in which the city uses a master meter to bill the entire community, and each Unit has an individual meter that is read and then billed to the Unit via the Management Company and H2O Meter Readers. Joan also asked if UPA will stop the automatic debit and will The Select Group allow ACH. Diane indicated UPA has already stopped all automatic debits and according to the Welcome Letter recently sent by The Select Group, they explained the various choices for the Unit Owners to make their payments, including using ACH. Additionally, Joan is concerned about safety with little children playing in the streets and she doesn’t want to see them in the street without adult supervision.

### 3. APPROVAL OF MINUTES FROM MAY 19, 2009

The BOD reviewed the minutes. A couple of editorial changes were identified. Robert made a motion to approve the minutes from the May 19, 2009, BOD meeting with the noted changes. Dave seconded the motion. By a vote of 4-0 the motion was accepted and adopted.

### 4. FINANCIAL REPORT

Treasurer's Report, 6/23/09, as of 5/31/09

<b>BALANCE SHEET:</b>	
<b>ASSETS</b>	
Operating Account	\$ 26,559.89
Accounts Receivable	\$ 500.00
Petty Cash	\$ 750.00
Operating Reserve	\$ 24,403.51
Replacement Reserve	\$ 376,164.46
<b>TOTAL ASSETS</b>	<b>\$ 428,377.86</b>
<b>LIABILITIES &amp; EQUITY</b>	
Loan from Replacement Resv	\$ 29,597.50
Equity	
Accum Operating Reserve	\$ 24,403.51
Accum Repl Resrv Interest	\$ 17,684.07
Accum Gate Loan Reserves	\$ 12,611.35
Accum. Replacement Reserve	\$ 345,869.04
Retained Earnings	\$ -17,974.87
Current Earnings	\$ 16,187.26
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>\$ 428,377.86</b>

<b>INCOME STATEMENT</b>			<b>VARIANCES</b>
	<b>MAY</b>	<b>YEAR TO DATE</b>	<b>YEAR TO DATE</b>
Total Assoc. Income	\$ 30,179.48	\$ 152,872.38	\$ -2,263.82
Gen'l & Admin Expenses	\$ -5,865.40	\$ -28,133.76	\$ 10,036.90
Maint. Expenses	\$ -9,587.42	\$ -38,474.54	\$ -1,072.05
<b>Operating Income</b>	<b>14,726.66</b>	<b>\$ 84,264.08</b>	<b>\$ 6,701.03</b>
Xfer Interest Earned on Reserves	\$ -851.91	\$ -2,967.02	\$ 1,737.18
Transferred to Operating Reserves	\$ 0.00	\$ -16.66	\$ -16.66
Transferred to Gate Loan Reserves	\$ -2,522.27	\$ -12,611.35	\$ 0.00
Transferred to Replacement Resvs	\$ -8,625.25	\$ -43,126.25	\$ 0.00
<b>Net Ordinary Income</b>	<b>\$ 2,727.23</b>	<b>\$ 27,545.80</b>	<b>\$ 8,421.55</b>
Income from Water Sales (May)	\$ 4,610.94	\$ 22,671.44	\$ 1,838.09

Cost of Water	\$ -7,545.99	\$ -22,767.93	\$ -10,267.95
Meter Fees	\$ -532.25	\$ -1,686.75	\$ -61.77
Sewer Fees	\$ -2,138.14	\$ -6,555.68	\$ 5,944.30
Storm Water Fees	\$ -1,017.66	\$ -3,019.62	\$ -19.62
Net Water Income	\$ -6,623.10	\$ -11,358.54	\$ -2,566.95
Net Income	\$ -3,895.87	\$ 16,187.26	\$ 5,854.60

Notes:

1. In anticipation of the turnover of the management company from UPA to The Select Group, the Treasurer's report is being changed from a cash report to an accrual report. The Select Group uses accrual reporting, the generally accepted standard for most financial reporting. The effect on our financial reports is minor. A new line, "Accounts Receivable," is included in this report to report a deposit made by UPA which had not been recorded by the bank as of the date of the bank statement. I do not anticipate that anything except the occasional dilatory deposit will show up in this line. There will be other changes as the turnover is completed. Perhaps the most visible changes will be a new Accounts Payable line and a Short Term Liabilities line as expenses are recognized as they are contracted for rather than when they are paid. Most of this report is on a cash basis.
2. The only significant variance in income is in the interest received in the Replacement Reserves account. This line is \$1,719.78 less than budgeted because of the low yield from the current CDs. The budget, adopted last November, is too optimistic about the yields that would be available this year. While the low interest rates affect the balances in the Reserve accounts, they pass through the Income Statement and do not affect the profit or loss for the year.
3. The Association continues to be billed for disposal service at the old rates. The result is a favorable variance of \$5,473.25. What the Association will be charged in the future is unknown and is dependent on factors not under our control.
4. The Maintenance Structures category is \$3,519.77 less than budgeted. This favorable variance will reverse in June when the storm drain and sidewalk repairs are recognized. The Lawn Maintenance line is two months more than budgeted because last November and December bills were not paid until January, resulting in a triple payment in that month.
5. Analysis of the Water Company concerns raised in last month's report shows that the Association underestimated the cost of water and overestimated the cost of the sewer service. Unfortunately, the two errors do not balance out; the net shortfall is \$4,323.65 as of the end of May. A straight-line projection of this shortfall shows that the water company will be about \$10,300 "in the red" at the end of the year. At this time, the best hope for keeping the Association "in the black" at the end of the year is to hope that the current rates for disposal services do not increase before the end of the year. If this hope does materialize, I will recommend a new budget for this year to the Board.

With the effects of Notes 1 through 5 considered, this report is a fair and accurate representation of the financial condition of the Association as of May 31, 2009.

Robert W. Chapin, Jr., Treasurer.

Robert indicated that Note #5 is the most serious issue and concerns the water company.

In the continuing discussion around the water bill discrepancy, it was previously stated by Mike Minor that HRSD failed to bill for the sewer services in 2007, as it was part of the City bill. Robert indicated he would like to have more time for greater analysis of this issue. He stated the discrepancy may not be as great as initially thought, but would like to reserve his comments until his analysis is complete.

Mike made a motion to accept the Treasurer's Report as written. Tom seconded the motion. By a vote of 4-0, the motion was accepted and adopted.

## **5. OFFICER REPORTS**

### **A. PRESIDENT**

- Diane asked if anyone has seen an extra trash can since the one for 1425 PBW is now missing. Jill will order a new one for the Unit Owner. Diane asked the BOD Members to recommend to their neighbors to place their addresses on the trash cans.
- Concerning the painting of 1545 CSW, Diane requested clarification for the painting that occurred last weekend. Mike explained the scenario and the conversation that took place with the Target Group representative in which the representative indicated he, on his own, added a new painting scheme to The Commons. Jill will contact and meet Jerry (Target Group owner) this Friday to indicate that they will repaint the Unit at no-cost.
- There is a window leak at 1489 CSW, an Evergreen model. There has been a history of window leaks in this model. If the leak is caused by a defect in the siding or an improperly installed original window, then it is an Association responsibility; and, if it caused by a defect in the window then it is a Unit Owner responsibility. Diane asked Jill to contact a repair contractor to investigate this issue.
- There is another window leak at 1413 PBW. Jill will also get a contractor to look at this Unit. She asked if the Association is responsible for any damage to the interior of the Unit. Diane indicated all interior repairs are the Unit Owners responsibility.
- The standing water issue behind the Units of SCW was not addressed by the previous management company. Diane requested Jill to continue searching for an engineering firm to investigate and provide suggestions to correct the issue.
- Diane asked if Jill had heard from Steve Weekly of A.R.M. concerning the non-working pond fountain. They need to continue investigating the issue.
- Diane had heard from a neighbor that a pest control vehicle was at the back gate and the individual pushed the gate open. It was a gray vehicle with an unknown name. Tom will approach Get'em and investigate their vehicle. Diane also mentioned that National could be another company that uses gray vehicles.
- Diane requested Jill contact Dave High of SmartParcs to continue attempting to get a quote for some kind of video surveillance and/or lighting for the back gate.
- During the July BOD meeting we will discuss the painting and house number matrix.
- During the August BOD meeting we will discuss the Pool Request for Proposal (RFP). The RFP should be from 1 October 2009 through 31 December 2010. Diane requested the Board members get any notes they have concerning the pool to Dave by August 1<sup>st</sup>.
- Additionally, at the August BOD meeting we should have the proposed 2010 Budget ready for review and we will discuss the Grounds RFP proposals.

### **B. VICE PRESIDENT**

- He will defer his comments to the Grounds Committee.

**C. TREASURER**

- Nothing to report.

**D. SECRETARY**

- The Unit security light next to 1504 CSW is broken and needs repair. Tom indicated he will help Mike attempt to perform a repair prior to getting a contractor to fix the lamp.
- The Indian River Road gate has a lock on it that does not belong to the Association. Mike will obtain bolt cutters to remove the lock.

**E. MEMBER-at-LARGE**

- Dave attended the Attorney Presentation meeting provided by The Select Group. He will send a copy of the material provided to all.

**6. COMMITTEE REPORTS**

**A. COMMUNICATIONS COMMITTEE**

- The July newsletter will contain three articles. It is scheduled to be delivered on July 18<sup>th</sup>.
- The next meeting will be held on July 6<sup>th</sup> at 8:00 PM in the Cabana.

**B. GROUNDS COMMITTEE**

- A meeting was held on June 8<sup>th</sup>.
- The Grounds committee staked up numerous leaning trees. Additionally, a Rose bush was added to the Indian River Road entrance flower bed.
- Tom has taken up a project to install a message board for meetings and events. It will be located on the pillars at the mailboxes.
- Next community cleanup is July 11<sup>h</sup> and the next meeting will be held on July 13<sup>th</sup> at 7:00 PM in the Cabana.

**C. MAINTENANCE COMMITTEE**

- A Maintenance Committee meeting was held June 11<sup>th</sup>.
- The committee plans to conduct a trial of the Unit number replacement procedure on June 27<sup>th</sup>.
- The committee also plans to review the roof survey and determine what the next plan of action will be.
- The trim replacement schedule will be accomplished prior to this year's painting. Prospective contractors for this include Atlantic Services, Atlantic Building, and the Target Group. The Trim Replacement SOW was delivered to the Association Manager.
- The next meeting will be held on July 2<sup>nd</sup> beginning at 7:30 PM in The Cabana.

**D. SOCIAL COMMITTEE**

- The Cabana mural painting is complete.
- The committee would like to begin requiring a deposit for use of the Cabana. This issue is deferred to later in the meeting.
- The next meeting is scheduled for June 24<sup>th</sup> and the next pool party will be on July 4<sup>th</sup>.

## **7. MANAGEMENT REPORT**

UPA's final Management report was reviewed by the BOD. No action was taken by UPA to contact a contractor to repair the siding on 1477 CSW nor was there action to repair the trellis near 1412 CSW. The Select Group was authorized to expend up to \$1000 for a contractor to repair each of these items. Additionally, the J.G. Evans Company repaired the sidewalk near the bridge, but the grass has washed away and it appears the dirt was not properly compacted down and some of it is washing away. Diane asked Jill to determine if repairs are needed and obtain a quote to apply sod to the area.

Dave indicated that even though the parking violation letters were sent they were not addressed to the correct Unit. The pictures in the newsletter appear to have solved the problem.

Robert made a motion to accept the Management's Report. Dave seconded the motion. By a vote of 4-0, the motion was accepted and adopted.

## **8. UNFINISHED BUSINESS**

- A. Action Items from 19 May 2009 BOD Meeting
  - The BOD reviewed the Action Item list from the last meeting. All three BOD action items remain open.
  - The UPA action items were reviewed for closure and the responsibility for all open items were transferred to Jill of The Select Group.
- B. Pools Closing Schedule
  - Diane handed out the Pool closing schedule to the BOD Members. The schedule includes the months of July, August, and September.
- C. Dates for Future BOD and Annual Meetings
  - The BOD Meetings for July, August, and September have been shifted to the fourth Tuesday of the month. The December meeting will remain on the 15<sup>th</sup>.
  - Mike will inquire with Tallwood HS to see if their meeting room is available to shift the Budget Meeting in October and the Annual meeting in November to the fourth Tuesday of each respective month. If the Budget Meeting is shifted to Oct. 27 then Tom will be the presiding officer since Diane is scheduled to be out of town.
- D. Repairs needed for the banks north and south of the bridge
  - Robert explained to Jill how the muskrat holes have caused the side of the pond to cave in and the need for the rocks to stabilize the banks. Diane asked Robert to develop a statement of work to repair the banks to include minimizing disrupting the foliage.
- E. Volunteer Saving
  - After reviewing the Volunteer Savings spreadsheet developed by Dave, all BOD Members updated the numbers to indicate the actual number of hours devoted to the Association.

## **9. NEW BUSINESS**

- A. Applications for Architectural Review
  - None to review.
- B. Purchase Orders
  - Robert made a motion to approve a purchase order from Mark Schneier in the amount of \$43.71 for reimbursement for supplies to repair and paint the sign post throughout the Association. Dave seconded the motion. By a vote of 4-0 the motion was accepted and adopted.

- Tom presented a purchase order from the Grounds Committee for a rose bush, and for pool tools and miscellaneous tools for painting. Robert made a motion to approve a purchase order in the amount of \$60.54 for reimbursement of the above items. Mike seconded the motion. By a vote of 3-0, with 1 in abstention, the motion was accepted and adopted.
- C. Deposit for Cabana Usage
- The Social Committee recommended requiring a deposit from Unit Owners that desire to use the Cabana. The idea is to ensure the Cabana is cleaned properly following use.
  - Diane initially indicated a deposit of \$50 would be appropriate but asked who would hold the funds, inspect the Cabana, and then judge its cleanliness.
  - After a discussion, it was decided that the deposit should be \$100 to cover the cost of a cleaning company, should one be needed, and the Social Committee Chair shall be the one to hold the deposit and then inspect the Cabana to determine its cleanliness. Mike will get with the Social Committee to develop a process and checklist for reserving the Cabana.
  - Tom made a motion to require a \$100.00 deposit from Unit Owners to reserve and use the Cabana for personal use. Robert seconded the motion. By a vote of 4-0, the motion was accepted and adopted.

Tom made a motion to enter Executive Session. Mike seconded the motion. By a vote of 4-0, the motion was accepted and adopted.

## **10. EXECUTIVE SESSION**

- A. Violations
- B. Delinquency Report
- C. Unit Payment Schedule
- D. Leasing Request
- E. Lawrence Landscaping
- F. Request for Proposal for Grounds Maintenance

Mike made a motion to leave Executive Session. Robert seconded the motion. By a vote of 4-0, the motion was accepted and adopted.

## **11. MOTIONS FROM EXECUTIVE SESSION**

- A. Violations:
  - Tom made a motion to send a violation letter with two options to a Unit Owner to replace the front door hardware. Mike seconded the motion. By a vote of 4-0, the motion was accepted and adopted.
- B. Delinquency Report
  - Robert made a motion to write off three accounts whose balances were \$0.10, \$0.60, and \$0.18, respectively. Dave seconded the motion. By a vote of 4-0, the motion was accepted and adopted.
- C. Unit Payment Schedule
  - No Action taken.
- D. Leasing Request
  - Robert made a motion to approve a hardship lease request for the dates from July 11, 2009, through July 31, 2011, only. Mike seconded the motion. By a vote of 4-0, the motion was accepted and adopted.

